

CONTENTS

ACKNOWLEDGMENTS	vii
------------------------------	-----

CHAPTER 1 INTRODUCTION

Introduction.....	1
Working with SAS.....	2
Ground Rules.....	3
SAS Data Sets.....	3
Conventions Used in This Book.....	4

CHAPTER 2 RANDOM WALKING OR WALKING RANDOMLY: USING SAS TO CONDUCT VARIANCE RATIO TESTING OF ASSET PRICES

Background for the Random Walk Theory of Asset Prices.....	5
The Data.....	7
Sample SAS Code for Variance Ratio Specification Testing.....	7
Summary.....	14
Program Listing.....	14

CHAPTER 3 ANALYZING WINNERS AND LOSERS: USING SAS TO TEST THE OVERREACTION HYPOTHESIS

Background on Behavioral Issues Specifically Related to Overreaction.....	19
Data Used for Analysis.....	20
Sample SAS Code Evaluating the Existence of Return Reversals.....	21
Summary.....	24
Program Listing.....	25

CHAPTER 4 CROSS-SECTIONAL APPROACH TO THE EMPIRICAL TEST OF THE CAPITAL ASSET PRICING MODEL

Background.....	27
The Data.....	29
Sample SAS Code.....	29
Program Listing.....	37
Appendix: A Short Introduction to SAS Macros.....	39

CHAPTER 5 EVENT STUDIES

Background.....43
 Measuring Abnormal Stock Returns.....44
 The Data45
 Sample Program.....46
 Program Listing52

CHAPTER 6 EFFECTIVE USE OF SAS MACROS: AN APPLICATION TO EVENT STUDIES

Alternative Test Statistics in Event Studies.....56
 The Data57
 Sample Program.....58
 Program Listing70

CHAPTER 7 ASSOCIATION TYPES OF STUDIES: INVESTIGATING THE PRICE-EARNINGS RELATIONSHIP

Background for Association Types of Studies73
 The Data75
 Sample SAS Code for Price-Earnings Regressions.....75
 Program Listing87

CHAPTER 8 PREDICTING BANKRUPTCY FROM FINANCIAL DISTRESS CHARACTERIZATION MODELS

Background for Characterizing Firms in Financial Distress.....91
 The Data92
 Sample SAS Program to Evaluate Financial Distress Characterization92
 Summary.....105
 Program Listing105

CHAPTER 9 USING ACCOUNTING INFORMATION TO FORECAST MARKET PERFORMANCE

Background for Analyzing Fundamental Accounting Information and Market Performance107
 The Data108
 Sample Program to Evaluate Financial Information and Market Performance108
 Summary.....117
 Program Listing117

CHAPTER 10 ANALYSIS OF TRANSACTION DATA

Background.....	119
The Data	121
Combining Identical Trades	123
Correcting Time Stamps and Computing the Tick Test	123
Computing Quote Changes and Combining Them with Trades.....	125
Estimation of Trading Costs	127
VAR Estimation	130
Program Listing	142
Appendix: Using SAS/CONNECT Software to Access WRDS	148
REFERENCES	153
INDEX.....	155